City of Albuquerque FY/07 Performance Plan
A Guide to Services, Performance, Results, and Accountability

> **"Management exists for the sake of the institution's results. It has to start with the intended results and organize the resources of the institution to attain these results."**
> Peter Drucker *Management Challenges of the 21st Century*

INTRODUCTION

The City of Albuquerque's *Performance Plan* is part of the City's budget and performance management process.

The **purposes** of the Albuquerque Performance Plan are to:

1. Enhance the budget as a tool that aids departments in managing for results – intended outcomes defined in the City's Five Year Goals and Desired Community Conditions.

2. Describe the means (strategies) by which these desired outcomes, identified through an extensive citizen involvement process, are achieved or influenced.

3. Augment financial data provided to policy makers in the resource allocation process with City service information and data on purposes, key work performed, planned initiatives and objectives, and performance measures.

4. Help employees understand how they contribute to organizational goals and important desired community conditions.

5. Help other stakeholders understand how City services add value to our community.

A **four-tiered measurement hierarchy** supports this process.

1. It starts with goal progress indicators (GPI's) of desired community conditions that illustrate if we are making progress toward the broad goals, mandated in the City Charter, defined through a citizen participation process and many surveys, and adopted by the Mayor and Council (see The Albuquerque Progress Report 2004 at www.cabq.gov/progress).

2. The City's performance management system connects City services, activities, and functions to those desired conditions and then measures the impact City services have on the desired conditions.

3. The system drills down to performance measures at the programmatic and service levels, measuring what the City does (how much and how well) to influence the desired conditions, measured in Tiers 1 and 2.

4. Finally, individual employee performance is linked to organizational performance through the City's Employee Work Plan and Performance Evaluation (PEG) process

The City's budgeting process involves citizens, elected leaders, managers, and employees in a collaborative effort to:
1. identify and improve important community or customer conditions;
2. provide effective public services that respond to changing conditions; and,
3. strengthen the foundation for a more sustainable community.

FY/07 PERFORMANCE PLAN

Major changes have been made to the FY/07 edition of the City's Performance Plan, not the least of which is a **new format**. This format is explained on pages vii and viii and called Understanding the Albuquerque Performance Plan.

TARGET SETTING

Another significant change is the setting of a major target of achievement, called an **AIM Point (Accelerating IMprovement)**, for each Program Strategy. The AIM Point

focuses on a key element of work performed in each Program Strategy that has a clear Connection to the purpose and desired results of the Strategy.

How the Performance Plan is Organized
The main organizational element of the Performance Plan remains the Five Year Goals. This outcome orientation is supported by connecting program strategies (and related service activities) to Desired Community Condition(s) (DCC's) within a Goal. DCC's are community conditions that would exist if the respective goal is achieved. (See pp iv and v for lists of Goal Areas, Goal Statements, and DCC's.) This connects programmatic strategy directly to intended results and starts to break down departmental organizational barriers among programs sharing common purposes.

The City's budgeting process is composed of two components: (1) appropriation of dollars and staff resources and (2) performance management.

The latter focuses on how to make governmental organizations:
- responsive to community conditions,
- accountable to citizens and customers,
- efficient and effective in its delivery of services.

Performance-based budgeting represents a change from traditional budgeting and its focus on resources. The Albuquerque budget manifests a shift to measurement of results and outcomes as well as service effectiveness and efficiency. Improved effectiveness depends upon developing an understanding of the impact services are having on customer and community conditions. This is why performance measurement is critical.

Fulfilling the Promise of the City's Budgeting Process
The City's process expands the influence of everyday citizens in their government by involving them in a community goal-setting process. The resulting outcomes influence government policies and program strategies. A citizen commission, the Indicators Progress Commission (IPC), monitors and reports on the community's progress toward achieving its goals — ongoing performance feedback essential to both city government and the community. This renewed citizen involvement enhances the quality of civic democracy. The City's performance-based budgeting system focuses on results, responsiveness, and accountability — elements essential to fostering service improvement and efficiency.

City managers have stories to tell about the impacts they're having on improving community conditions. This process gives them that opportunity. Moreover, it allows managers to work with other departments and divisions to maximize the desired impact on community conditions. It encourages managers to ask themselves the right questions: What do you do? Why do you do it? What impact do your services have on community/customer conditions? Is your mix of services the most effective? We may not be able to answer these questions now to the extent we will in a few years. But the power is in the asking. A government cannot answer these questions without recognizing the customer-client-constituent as the most important element in the budgeting equation.

Making the shift to focusing on results backed up by meaningful measurement is a long term process. The City of Albuquerque has been recognized by both Quality New Mexico (Roadrunner Award) and the Government Finance Officers Association (Special Recognition for Performance Measurement for FY 03 and FY 04) for the progress made to date. The changes made to the proposed FY/07 Perform-ance Plan represent a step forward in achieving performance accountability in the City of Albuquerque.

PERFORMANCE PLAN ELEMENTS

Goal

In accordance with the requirements of the City Charter (Article 4, Section 10(d), eight Five-Year Goals were adopted by the City Council and the Mayor in November 2002. These goals are broad-based statements of what kind of community citizens of Albuquerque want it to be.

Desired Community Condition

These are statements that describe specifically what conditions would exist upon achievement of a particular Five-Year Goal. *Goal Progress Indicators* are used to measure the status of Desired Community Conditions. *Measures of Outcome, Impact or Need* often connect the City services to Desired Conditions.

Program Strategy

The Program Strategy is the appropriation level of the City's budget. A program strategy should also represent a group of services within a department that strives to achieve common purposes. These purposes are tied to Desired Community Conditions and organized within the Performance Plan by Goal Area. Program Strategies are broken down into **Service Activities**, which become the focus of performance measures described below.

Annual Objectives

Annual Objectives, also known as Priority Objectives, are specific steps for achieving the Five-Year Goals, usually fitting within the scope of one particular service activity. The achievement of an Annual Objective often qualifies as a Strategic Accomplishment (see below). An objective describes in specific and measurable terms the results a program is expected to achieve toward a certain goal. As a rule, each objective is attainable within a specified period of time, preferably within a fiscal year or two.

The Approved Budget document provides a reference to Annual Objectives and their associated Service Activities. FY/07 objectives have been introduced in resolution R-06-20.

The setting of Priority Objectives often comes about prior to the annual budget process. The City Charter specifies that the City Council, in its role as a policy setting body, shall annually review and adopt one-year objectives related to the Five-Year Goals for the City. To carry out this mandate, an annual Objectives Resolution is created jointly by the Mayor and the City Council, with support and recommendations from City departments.

Input Measures

Inputs are the financial (budget) resources allocated to perform a Program Strategy. These resources are appropriated by the City Council at the Program Strategy level and are broken down in the Performance Plan at the Service Activity level. Inputs are also full time employees assigned to and funded in a Program Strategy.

Output Measures

At the Service Activity level, Output Measures are measures of services delivered or demanded, workload, processes, activities, and work — what and how much is being done or demanded.

Strategic Accomplishments

In those cases in which Service Activities focus primarily on one of the following — planning functions, strategic support, or individual project implementation — "output" may be better identified as a specific strategic accomplishment (e.g. "Updated the Comprehensive Plan" or "opened a new community center.") This is work that is both tangible and major in scope, but does not lend itself readily to unit measurement.

Quality Measures

If Output Measures quantify what is being done, Quality Measures quantify how well it is being done — the level of effectiveness and/or customer satisfaction. These measures are difficult to develop and may require time to refine, but good ones are immensely valuable. Surveys are often utilized to determine customer satisfaction.

City of Albuquerque Goal Areas, Goal Statements and Updated Desired Community or Customer Conditions

Goal Area	Goal Statement	Desired Community or Customer Conditions
HUMAN AND FAMILY DEVELOPMENT	People of all ages have the opportunity to participate in the community and economy and are well sheltered, safe, healthy, and educated.	1. Residents are literate and educated. 2. Youth achieve desired educational outcomes. 3. Residents are active and healthy. 4. Residents have access to physical and mental health care. 5. Safe, decent and affordable housing is available. 6. The community collaborates to support the responsible social development of youth. 7. Families are secure and stable. 8. Senior citizens live and function in optimal environments. 9. Residents are safe from regulated, public health risks.
PUBLIC SAFETY	Citizens are safe, feel safe and secure, and have trust and shared responsibility for maintaining a safe environment.	10. Residents feel safe. 11. Residents are safe. 12. Travel on city streets is safe. 13. Residents, businesses and public safety agencies work together for a safe community. 14. Domestic animals are responsibly cared for and provided safe and healthy home environments. 15. The community is prepared to respond to emergencies, natural disasters, catastrophic acts and other events that threaten the health and safety of the public.
PUBLIC INFRASTRUCTURE	Ensure that all existing communities are adequately and efficiently served with well planned, coordinated, and maintained sewer, storm, water, and road systems and an integrated multi-modal regional transportation system. Ensure that new development is efficiently integrated into existing infrastructures and that the costs are balanced with the revenues generated.	16. A reliable water system meets health and safety standards. 17. Wastewater systems meet quality standards. 18. A storm water system protects the lives and property of residents. 19. Competitive technological infrastructures are accessible throughout the community. 20. Residents have safe and affordable transportation options that meet the public's needs. 21. The street system is well designed and maintained. 22. New development is efficiently integrated into existing infrastructures and its costs are balanced with the revenues generated and adopted City development policies.
SUSTAINABLE COMMUNITY DEVELOPMENT	Guide growth to protect the environmental and the community economic vitality and create a variety of livable, sustainable communities throughout Albuquerque.	23. Parks, open space, recreation facilities and public trails are available, accessible and strategically located, designed and maintained. 24. All of Albuquerque's built environments are safe, habitable and well maintained. 25. Neighborhoods with civic and commercial destinations within walking distance are an available choice. 26. Medium to high density neighborhoods that contribute to a more compact urban form are an available choice. 27. The downtown area is vital, active, safe and accessible. 28. Mixed-use areas with housing, employment, civic functions, recreation and entertainment exist throughout Albuquerque.
ENVIRONMENTAL PROTECTION AND ENHANCEMENT	Protect and enhance Albuquerque's places and natural environment - its mountains, river, Bosque, volcanoes, arroyos, clean air and underground water supply.	29. Air, land and water systems protect health and safety. 30. Water resources are sustainably managed, conserved and protected to provide a long-term supply and drought reserve. 31. Solid wastes are produced no faster than natural systems and technology can process them. 32. Open Space, Bosque, the River and Mountains are preserved and protected.

		33. Residents value ecological diversity, participate in caring for the environment, and conserve natural resources.
		34. Energy is efficiently consumed and its environmental impact minimized; alternative fuels supplant petroleum and coal products.
ECONOMIC VITALITY	Achieve a vital, diverse, and sustainable economy in which businesses and residents have opportunities for success.	35. The economy is diverse and broad-based.
		36. The economy is vital, prosperous and consistent with local and regional resources.
		37. There are abundant, competitive, career oriented employment opportunities.
		38. Businesses develop and prosper.
COMMUNITY AND CULTURAL ENGAGEMENT	Residents are fully and effectively engaged in the life and decisions of the community to promote and enhance our pride, cultural values, and resources and ensure that Albuquerque's community institutions are effective, accountable, and responsive.	39. Residents are active participants in civic and public affairs.
		40. Residents participate in community organizations and sporting and cultural events.
		41. Residents are well informed of current community conditions
		42. Residents appreciate, foster and respect Albuquerque's arts and cultures.
		43. Relations among Albuquerque's cultures and races are positive and respectful.
GOVERNMENTAL EXCELLENCE AND EFFECTIVENESS	Government is ethical and accountable; every element of government contributes effectively to meeting public needs.	44. Leaders work together for the good of the community.
		45. Leaders cooperate and coordinate with the other governments in the MRCOG region.
		46. Government and its leaders are responsive to changing community and customer conditions.
		47. Customers conveniently access City services and officials.
		48. Customers can participate in their government by accessing information about services, policies, community conditions, regulations, etc.
		49. Financial assets are maximized and protected, and analyzed and reported accurately, understandably, and usefully.
		50. City assets are protected while responding fairly to inappropriate City actions.
		51. Products, services, and materials are obtained efficiently, fairly, and in a timely manner.
		52. City services, operations, and finances are measured and audited as needed and meet customer needs.
		53. Competent, well-trained motivated employees contribute to the achievement of City goals and objectives.
		54. The work environment for employees is healthy, safe and productive.
		55. City staff is empowered with information and have information processing capacity.
		56. Rights of way are obtained and managed and their use maximized for the public's benefit with fair compensation for use.
		57. City real property is effectively obtained and managed in the public's interest, and disposed of when public purpose has changed.
		58. City fixed assets, property, and infrastructure meet City goals and objectives.
		59. Departmental human and financial resources and fixed assets are managed efficiently and effectively.

UNDERSTANDING the ALBUQUERQUE PERFORMANCE PLAN
A Guide to City Performance, Results, and Accountability

Program Strategy:	(1) Level at which City Council appropriates; (2) Approach to address Goal and Desired Conditions; (3) Services sharing common purposes; (4)General Ledger Infrastructure.	Dept	Organziational Entity that spends the Appropriation and carries out the Strategy.

DESIRED FUTURE

GOAL	Each program strategy is organized under one of 8 long term goal areas (see lists on page xx) adopted by the Mayor and City Council based on Citizen Recommendations.	
Desired Community or Customer Condition(s):	(1) The program stratey influences up to 4 of the 58 desired community or customer conditions identified by Citizens and adopted by the Mayor and City Council. (2) These conditions would exist if the Ctiy achieved the long term goal statements. (3) The program strategy is a means to these ends. These conditions are measured in the *Albuquerque Progress Report*.	

- *The most relevent Desired Condition;*
- *the second most relevent Desired Condition and so on.*

Measures of Outcome, Impact or Need

	2001	2002	2003	2004	2005	2006	2007

<u>Outcomes</u> are community or customer conditions addressed by the program strategy. Outcomes provide a context for the program strategy. Outcomes are community or customer conditions addressed by the program strategy. Outcome Measure indicates if the condition is improving or declining. Some of these come from the Albuquerque Progress Report 2004. <u>Impact</u> is the part of the outcome attributable to the program strategy. <u>Need</u> quantifies potential demand among the customer group. These measures indicate broad conditions that the program strategy addresses.

PROGRAM STRATEGY RESPONSE

Strategy Purpose

The Strategy Purpose Statement summarizes why the City performs services funded through this Program Strategy and what outcome is anticipated. The Strategy Purpose statement is short and starts with an <u>action verb</u> that leads to a <u>result</u>(s) SO THAT customers are <u>impacted</u> in a certain way.
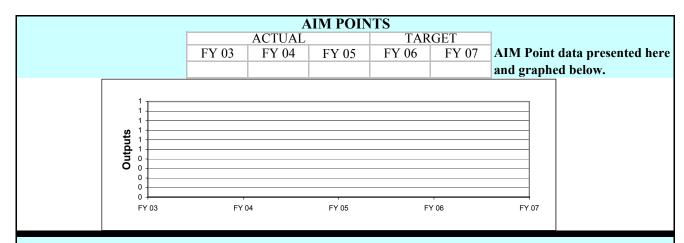
Key Work Performed

• Important services, processes, functions, activities, and work performed in this program strategy are identified. These will later be used to develop measures in the service activity areas that follow. Key work should be consistent with the Purpose stated above.
• *Key Work #2*
• *Key Work #3 and so on…….*

Planned Initiatives and Objectives

• Major initiatives, annual objectives, or major projects planned to start and/or conclude in the upcoming fiscal year.
•

<u>A</u>ccelerating <u>IM</u>provement (AIM)	Why is this measure important?
The <u>AIM point</u> is a <u>target</u> -- a commitment made by the Department to achieve a specific quality or quantity of service. Each program strategy must set, track, and report on at least one AIM point and explain why by reaching it, the outcomes or desired conditions will improve. AIM Points can be used to rally employees to greater performance.	A simple statement that explains why the strategy's purpose will be advanced and progress achieved on the Desired Community or Customer Conditions by achieving the AIM point.

AIM POINTS

	ACTUAL		TARGET		
FY 03	FY 04	FY 05	FY 06	FY 07	**AIM Point data presented here and graphed below.**

Total Program Strategy Inputs			Actual	Actual	Actual	Beginning	Mid-year	Proposed
		Fund	FY 03	FY 04	FY 05	FY 06	FY 06	FY 07
Full Time Employees	General	110	**By fiscal year by fund -- full time employees budgeted, positions filled or proposed.**					
	(Fund)	(#)						
	Grants							
Budget (in 000's of dollars)	General	110						
	(Fund)	(#)	**By fiscal year by fund -- dollars budgeted, spent, or proposed.**					
	Grants							

Service Activities

Service Activity -- Subsections of the Program Strategy where work is funded.

			Actual	Actual	Actual	Beginning	Mid-year	Proposed
	Input	Fund	FY 03	FY 04	FY 05	FY 06	FY 06	FY 07
	General	110						
Budget (in 000's of dollars)	(Fund)	(#)	**By fiscal year by fund -- dollars budgeted, spent, or proposed.**					
	Grants							

Measures of Merit

Specific measures of service, work, etc.	Output			
	Output			**Output measures** relate back to the Key Work Performed section and quantify the amount of service, work, functions, and/or processed delivered. **Quality measures** speak to customer satisfaction or program effectiveness.
	Output			
	Output			
	Quality			
	Quality			

Strategic Accomplishments (prior year(s))

Annual objectives and strategic accomplishments from prior year or years.

Measure Explanation Footnotes

[1] *where does the data come from?*
[2] *brief explanation of data may be given here to provide context for trends.*
[3] *What does the measure mean?*